

**ROCHELLE CITY COUNCIL
SPECIAL COUNCIL MEETING MINUTES
NOVEMBER 15 & 16, 2017**

The Rochelle City Council met in Special Session at 6:00 p.m. on Wednesday, November 15, 2017 in the Council Chambers of City Hall; 420 N. 6th Street; Rochelle, IL 61068.

ROLL CALL: Present on Roll Call was Councilmembers Bearrows, Burke, Hayes, T. McDermott, Shaw-Dickey and Mayor Olson. Absent: D. McDermott. A quorum of six was present. Also present were City Manager Fiegenschuh, and City Clerk McKinney.

City Manager Fiegenschuh presented the general fund budget. See attached.

At 7:23 p.m., motion by Councilor Burke and seconded by Councilor Bearrows, **"I move the Council recess until 6:p.m on November 16."** Motion passed by voice vote without dissent.

At 6 pm on November 16 Mayor Olson called recess meeting to order. Present on roll call were Councilmembers Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Olson. Absent: None. A quorum of six was present. Also present were City Manager Fiegenschuh, and City Clerk McKinney.

City Manager Fiegenschuh presented the Enterprise fund budget. See attached.

ADJOURNMENT: At 6:45 PM, moved by Councilor Bearrows and seconded by Councilor D. McDermott, **" I move the Council adjourn."** Motion passed by voice vote without dissent.



Chet Olson, Mayor



Bruce W. McKinney, CMC
City Clerk, City of Rochelle

City of Rochelle
2018 Budget Workshop
November 15 & 16, 2017



Mission/Vision Statement

Mission Statement

The City of Rochelle is committed to providing fiscally responsible, high quality, responsive services to our community.

Vision Statement

Rochelle is a growing, progressive Midwestern community, where high speed information technology, superior transportation systems, and excellent City services provide our citizens and businesses with every opportunity for success.



Rochelle is committed to...

- Technology...providing access to cutting-edge, City-owned, high-speed fiber-optic based communication services within our community.
- Transportation...promoting a superior infrastructure of four major highways, two major railroads, a Class 1 City Industrial Rail System, and the largest Intermodal facility in the Union Pacific Rail System.
- Economic & Community Development...fostering an environment that allows our businesses to grow and thrive through lower taxes, reliable infrastructure and great customer service.



Rochelle is committed to...

- City-Owned Utilities... supplying safe and reliable electric, water and sanitary sewer services at competitive rates while planning responsibly for future capacity and growth.
- Integrity...building trust by serving the community with the highest standards of ethics, stewardship, and conduct.
- Regional Leadership... planning for growth and development by facilitating collaboration between surrounding communities, all school districts in our service territory and economic development organizations.



Rochelle is committed to...

- Teamwork...creating an environment where individuals are encouraged to work together to communicate, solve problems, and negotiate for the good of the community and the benefit of the region.
- Employee professional growth...creating an environment where our employees can foster new skills that benefit the entire organization.
- Respect...respecting the worth of all persons.
- Quality of Life...developing a community that strives to improve education, employment, energy, environment, health, human rights, income, infrastructure, public safety, and shelter.



2018 Organizational S.W.O.T Analysis

Strengths

- Strong Support Staff
- Knowledgeable & dedicated department heads
- A City Manager who surrounds him/herself with great staff
- Village owned utilities that are reliable and regionally competitive
- More diverse workforce (in all aspects)
- Invested elected officials (supportive and knowledgeable)
- Political stability
- Forward thinking staff and elected officials willing to implement new programs and make changes
- Strong economic and community development base
- Increasing EAV
- Fiscally sound



2018 Organizational S.W.O.T Analysis

Weaknesses

- Continued lagging local sales tax revenues
- Non-home rule



2018 Organizational S.W.O.T Analysis

Opportunities

- New City Manager and Council; new perspectives
- More emphasis on relationship with both school districts
- Department heads are open to new ideas
- Relationships with other government agencies
- Continue expanding presence in regional area
- Public Private Partnerships
- Possible ¼ cent sales tax referendum for public safety, pensions and property tax relief
- Moving toward a program/performance based budget
- More emphasis on downtown and 251 & 38 corridors
- Ongoing cooperation with GREDCO, Look to other partnerships
- Utility load growth
- Fiber and communications expansions
- Staff development



2018 Organizational S.W.O.T Analysis

Threats

- State fiscal issues
- Lagging sales tax revenues
- Future Local Government Distribution Fund (Income Tax) cuts
- Losing good department employees with vast institutional knowledge
- Employee morale issues
- Lingering issues with the landfill
- General Fund budget
- Radium issues in the water department
- Increasing public safety pension costs
- Future capital costs in the Utility Departments

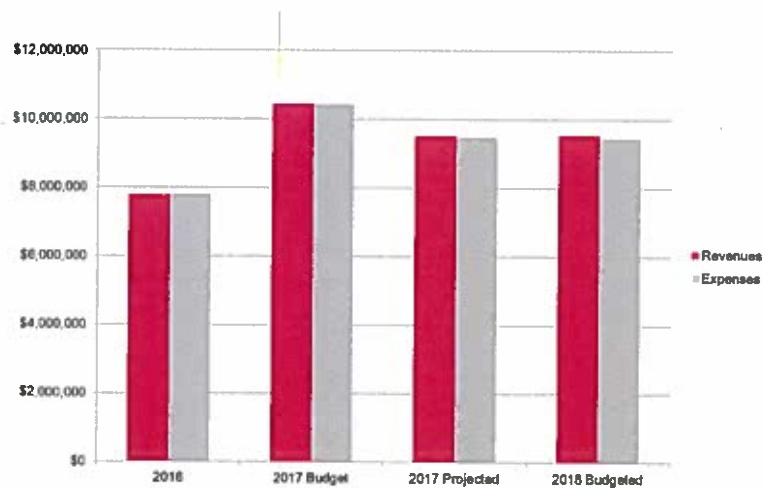


General Fund- Introduction

- The General Fund is the operating fund for the following Departments:
 - Police
 - Fire
 - City Clerk
 - Community Development
 - Streets/Cemetery
 - Engineering
 - Economic Development
 - Administration (City Manager, Mayor/Council & Municipal Building)
- Taxes & transfers are the primary sources of revenue.



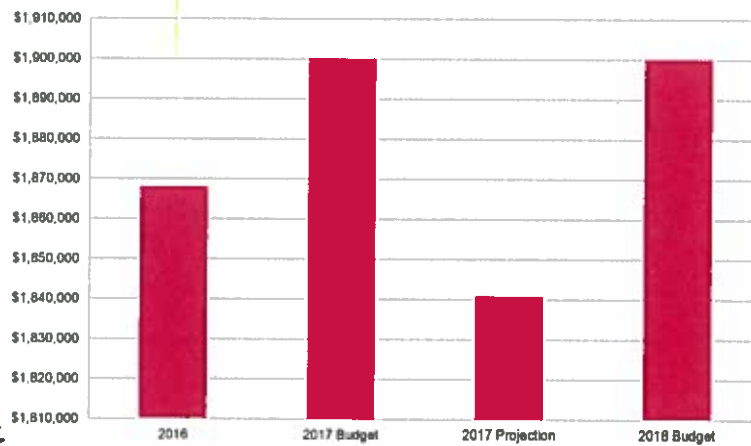
General Fund Revenues & Expenses



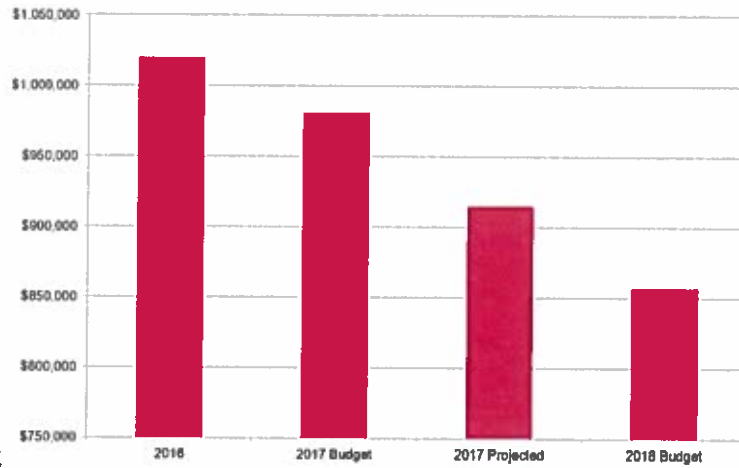
General Fund Budgeted Revenues



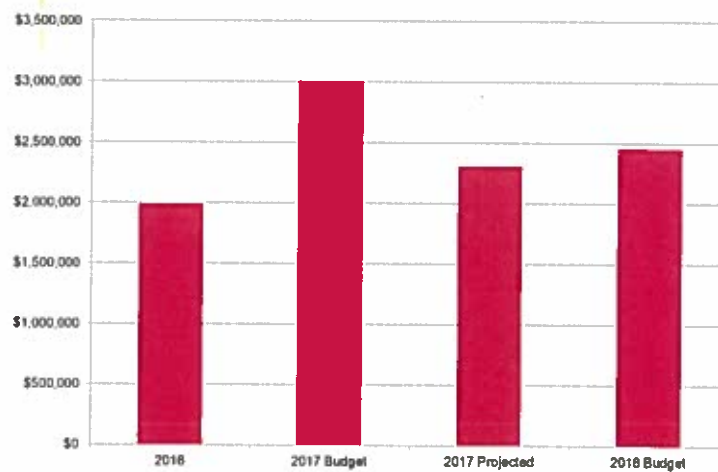
Sales Tax



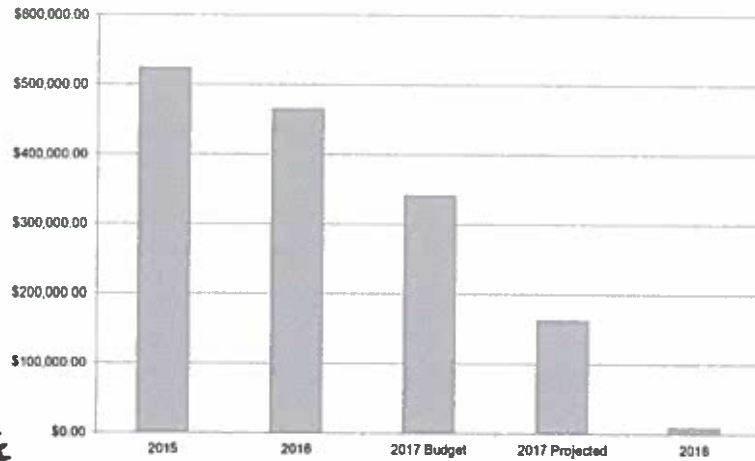
LGDF History (Income Tax)



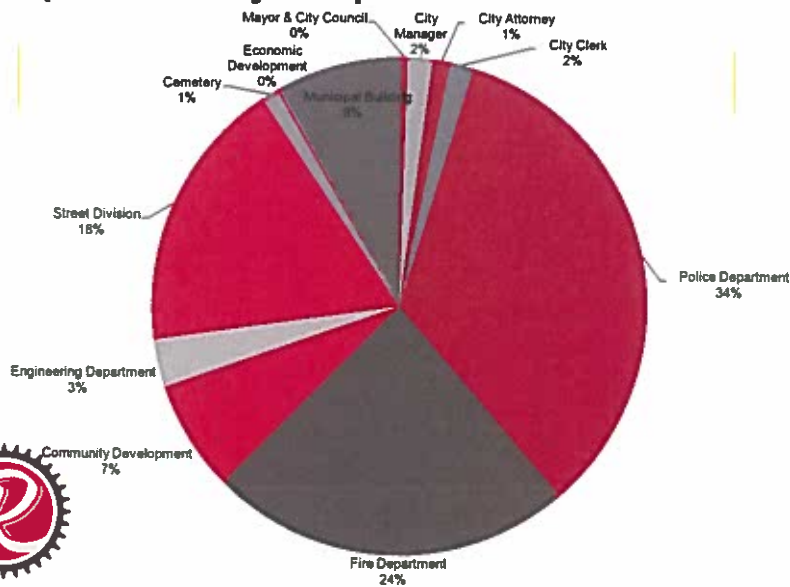
Total Transfers - In to General Fund



Solid Waste Transfer to General Fund



Expenses by Department



Fund Summary Comparison – General Fund

	2017 Budget	2018 Budget	% Change
General Fund			
Revenues	\$10,449,830	\$9,537,136	-9%
Expenditures	\$10,437,814	\$9,467,585	-9%
Mayor & Council			
Expenditures	\$60,500	\$40,150	-34%
City Manager			
Expenditures	\$221,366	\$153,235	-31%
City Clerk			
Expenditures	\$176,199	\$145,130	-18%
Police Dept.			
Expenditures	\$3,633,692	\$3,212,615	-12%
Fire Dept.			
Expenditures	\$2,278,697	\$2,250,868	-1%



Fund Summary Comparison – General Fund

	2017 Budget	2018 Budget	% Change
Community Development			
Expenditures	\$691,847	\$683,017	-1%
Engineering			
Expenditures	\$313,885	\$297,002	-5%
Street Dept.			
Expenditures	\$1,641,793	\$1,664,699	+3%
Cemetery			
Expenditures	\$115,984	\$98,766	-15%
Municipal Building			
Expenditures	\$646,785	\$777,564	+18%



Fund Summary Comparison

	2017 Budget	2018 Budget	% Change
Water Reclamation Fund			
Operating Revenues	\$2,965,788	\$3,502,234	+18%
Operating Expenditures	\$2,023,497	\$2,012,636	-1%
Water			
Revenues	\$2,566,624	\$2,566,624	0%
Expenditures	\$1,316,758	\$1,464,448	+11%



Fund Summary Comparison

	2017 Budget	2018 Budget	% Change
Electric Fund			
Operating Revenues	\$41,074,583	\$40,001,373	-3%
Operating Expenditures	\$32,762,499	\$32,084,855	-2%
Technology Center			
Operating Revenues	\$1,178,064	\$1,418,200	+20%
Operating Expenditures	\$1,135,023	\$1,236,375	+9%



Fund Summary Comparison

	2017 Budget	2018 Budget	% Change
Airport			
Revenues	\$1,719,786	\$1,800,421	+5%
Expenditures	\$1,761,651	\$1,853,198	+5%
Solid Waste			
Revenues	\$1,270,257	\$459,693	-64%
Expenditures	\$1,133,376	\$371,373	-67%



Fund Summary Comparison

	2017 Budget	2018 Budget	% Change
Railroad			
Revenues	\$8,048,383	\$7,919,583	-2%
Expenditures	\$8,038,804	\$8,614,538	+7%



External Debt Outstanding

Outstanding Debt	As of 1/1/18	Principal Payments	As of 12/31/18
Electric	\$14,510,000	\$615,000	\$13,895,000
Technology Center	\$3,255,000	\$240,000	\$3,015,000
Water Reclamation	\$328,518	\$31,044	\$297,474
Airport	\$520,000	\$35,000	\$485,000
Lighthouse Point TIF	\$2,435,000	\$135,000	\$2,300,000
General Fund (Quiet Zone)	\$1,660,000	\$170,000	\$1,490,000
Water	\$2,968,219	\$133,633	\$2,834,586
TOTAL	\$25,676,737	\$1,359,677	\$24,317,060



City of Rochelle Full-Time Employees

General Fund 61 Full-Time Employees

Internal Service 7 Full-Time Employees

Enterprise Funds 49 Full-Time Employees

Total **117 Full-Time Employees**



- \$9,000 Budgeted for Deputy Chief Position
- Total Employees Unchanged

Labor Expenses

- Full-Time Employees
 - Non-union labor costs have been budgeted for 2.17% increase effective 1/1/18.
 - IBEW and Fire Union labor costs have been budgeted for a 3.25% increase plus step increases as listed in the union contracts effective 5/1/2018.
 - The Police Department Contract expires 4/30/2018.
 - Reduced Legal Fees \$40,000



Hotel/Motel Fund

- Revenue Sources:
 - Hotel/Motel Taxes – 5% of local hotel revenues
 - Railfan Park Gift Shop Merchandise Proceeds
- Major Expenditures:
 - Golf Course \$75,000
 - 50% Community Development Director Salary
 - Part Time Railfan Park Gift Shop & Visitor Center Staff Salaries



Community Events (Hotel/Motel Fund)

Downtown Christmas Walk	\$1,000
Lincoln Hwy Heritage Festival	\$8,000
Railfan Appreciation Days	\$3,000
Irish Hooley	\$3,000
Cinco de Mayo	\$4,000
Ale on Lincoln	\$3,000
Wine on Lincoln	\$4,000
Hay Day	\$4,000
Flagg Rochelle Museum	\$8,000
Miscellaneous Events	\$12,000



General Fund Community Contributions

- Annual Fireworks \$12,000
- Municipal Band Performances \$13,000
- Senior Center Pledge \$25,000
- Rochelle Chamber \$8,500
 - 50% Utilities / 50% General Fund



Economic Development Budget

- Salaries for the Economic Development Director and Assistant to the Economic Development Director are allocated to the Railroad Fund and RMU for the first time in CY 2018.
- Economic Development budget includes \$14,500 for a computer, travel and dues.



Community Development Budget

- Chamber Director Salary
- 50 % Community Development Director Salary (shared with Hotel/Motel Fund)
- Community Revitalization - \$63,000
 - Historic District, Northern Gateway TIF
- Brownfields Grant - \$173,600 (reimbursed by grant ending 9/2018)



Downtown Revitalization/Plaza & Pavilion

- Wayfinding Signage \$15,000 – Downtown TIF
- Electric Underground - \$100,000 included in Electric Budget
- Land Surveys, Topographic Maps - \$40,000 Community Development
- Streetscape \$5,000 – Community Development



General Fund - City Hall Improvements

Police Department Flooring	\$14,000
Modify Reception Desk	\$1,000
Push Mower	\$350
Courtyard Sign	\$5,000



Vehicle Purchases

Street Department Pickup Truck	\$30,000
Transfer to Ambulance Fund	\$143,000



Equipment Purchases

Mayor & Clerk	Computer	\$3,000
City Manager	Office Equipment	\$500
Police	Earpieces for Radio	\$1,908
	Laptops (4)	\$6,000
	Patrol Rifle (1)	\$1,500
Fire	Half of Repeater	\$8,000
	Asbestos Removal	\$8,000
	Parking Lot Maintenance	\$5,000
Street Department	Trench Box	\$4,500
	Equipment Trailers (2)	\$11,000
	Anti-Ice System	\$16,000
	Generator	\$4,500
	Loader Attachments (2)	\$10,000
	Purchase & Install Parkway Trees	\$10,000
	Parking Lot Maintenance (8)	\$15,000
Engineering	Plotter	\$22,000
	Building Improvements	\$1,500
	Furniture	\$1,000
Economic Development	Office Equipment	\$1,500



Capital Improvement Fund Projects

MFT EDP South Main Street improvements sec #12-00112-00FP (PE and CE) Phase 1	3,600,000
JDR Overpass Engineering sec#00-00089-00 BR	1,000
Golf course parking lot resurfacing per development agreement	66,000
7th Ave bridge over Kyte River and related approach street improvements (PE and CE Ph 1)	1,180,000
Dement Rd overpass approach/pavement rehabilitation & drainage culvert improvements	115,000
MFT Misc St Treatments sec #17-00000-00GM	125,000
Sidewalk - SRTS 10th Ave/2nd St Sec #12-00113-00SW - May School	252,000
Traffic signalization & other intersection improvements at IL Rte.251/Steward Rd	125,000
Sidewalks/Pedestrian paths - Annual Program TBD CY 18	112,000
General maintenance - other, pavements, sidewalks, storm sewer	20,000
Other Street/Alley Improvements - HMA surface, pavement striping, curb & gutter replacement	57,000

TOTAL CAPITAL OUTLAY

5,653,000



Administrative Services (Internal Service Fund)

- Compensation Study - \$30,000
- Strategic Plan - \$10,000
- Interns from Kishwaukee College and Northern Illinois University may be utilized for future projects in lieu of filling vacant positions



Central Maintenance Fund

- The City Manager and Staff are exploring the potential cost savings of creating a Central Maintenance Department for fleet maintenance.
- Currently, the Electric Department utilizes a company to conduct on-site routine vehicle maintenance 3x/year.



Revenue Enhancement Recommendations

- Utility Tax Increase
- Ambulance Transfer Program
- Non-Home Rule Sales Tax Referendum



Enterprise Funds

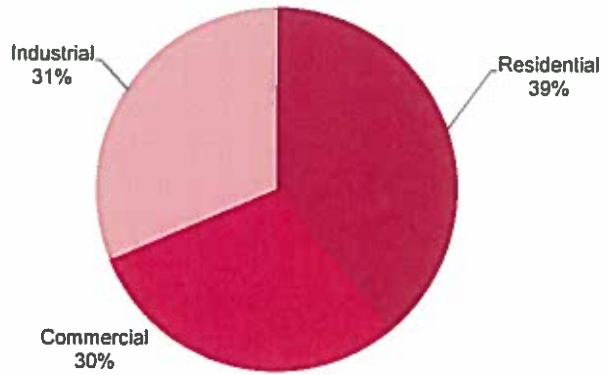


Revenues – Water & Water Rec

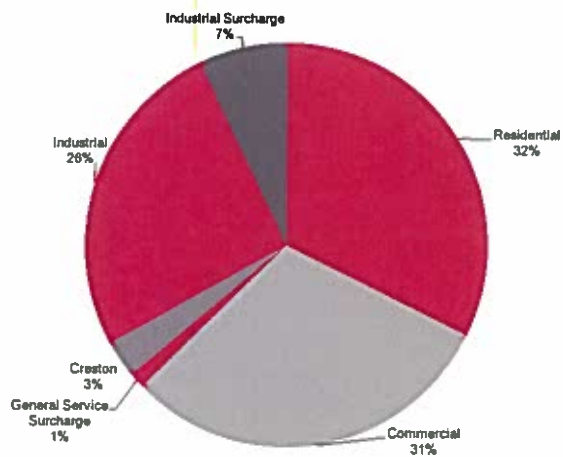
- The combined Water and Water Reclamation Funds revenues are up over the previous calendar year.
 - Most of the increased revenue is due to the Water Reclamation mid-year 2017 rate adjustments and an increased industrial surcharge.
- During the coming calendar year there are several capital projects included in the budget for both departments.
 - All projects will be funded with established revenues with the exception of the Well #11 Radium Plant, Sunnymede Sewer Lining, and upgrades to the Treatment Plant. Those projects will be funded by grants or IEPA loans. The loan payment was already factored into the Water Reclamation current rate structure.



Water Revenues



Water Reclamation Revenues



Capital Outlay - Water

Distribution Meters - blanket	\$70,000	
Hydrants - blanket	\$20,000	
Services - blanket	\$25,000	
Valves, blanket	\$25,000	
Well 10 Rehab Design and Construction	\$1,000,000	
20th Street Watermain Extension	\$195,000	
Watermain Repair 251 and I-88	\$25,000	
Meter Reader Truck Transfer	\$9,000	RMU Cash Funded
Lab Equipment	\$4,000	\$1,373,000

Well 11 Radium Plant Construction (2/3 of total cost)	\$1,855,814	
Well 11 Construction Engineering and Observation	\$130,000	Grants/EPA Loan Funded
		\$1,985,814



Water Sub-Total \$3,358,814

Capital Outlay – Water Reclamation

WRP share of water meter cost	\$30,000	
Manhole Replacement/Point Repair - blanket	\$60,000	
Sludge Disposal Truck and Dumpsters	\$85,000	
Sewer Relocate 7th Ave	\$85,000	
Sunnymeade Sewer Lining	\$100,000	RMU Cash Funded
HVAC Replacement WWTP	\$35,000	
Manhole Trench Box	\$6,000	
Lab equipment	\$4,000	
LIR Station south of I-88	\$86,000	
Meter Reader Truck Transfer	\$9,000	\$500,000

Sunnymeade Sewer Lining Grant Funded Portion	\$284,652	
WWTP Design and Contingency	\$877,675	Grants/EPA Loan Funded
WWTP Upgrades Construction (1/3 of total cost)	\$1,169,063	\$ 2,331,390



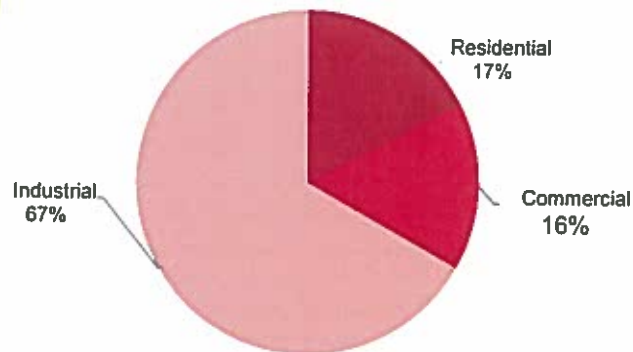
Wastewater Sub-Total \$2,831,390

Revenues - Electric

- The Electric Fund covers all the costs associated with the purchase, transmission, and distribution to all properties within the utility service territory.
- CY Budget \$40,262,000
 - This constitutes a decrease of 2.7% over the previous calendar year. These savings are being realized through a reduction in purchased power expense and capital outlays.
- 57% of Budget is Power Purchase Cost
 - Overall, the department continues to see increases in sales and a healthy reserve fund balance.



Electric Revenues



Capital Outlay - Electric

GENERATION

Parts for Fairbanks	40,000	
LSV-16-GDT top end overhaul, purchase new MCC for Cooper engines	400,000	
Units G7 blowers	50,000	
Silencers Cats 13-15	120,000	
Sub-Total		610,000

TRANSMISSION

Easements and land purchase for substation and 5 miles of transmission lines	1,000,000	
Sub-Total		1,000,000



Capital Outlay - Electric

DISTRIBUTION

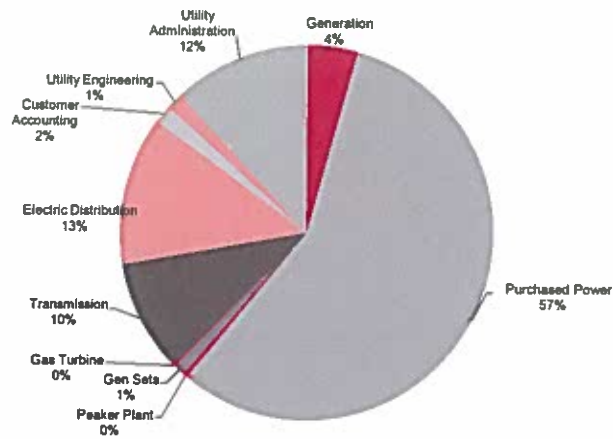
Personnel Salaries	433,800	
Electric Meter Blanket	15,000	
Transformer Blanket	40,000	
Street Lighting Blanket	62,500	
Security Lighting Blanket	10,000	
Overhead Distribution Blanket	125,000	
Underground Distribution Blanket	125,000	
Computer Equipment and Storage Server	2,500	
Convert the 5kV Systems to 15kV Systems	600,000	
Substations	150,000	
Engineering the 5kV System - Phase II	145,000	
Replace bucket truck	232,000	
Coordination of the System	168,000	
Sub-Total		2,108,800

UTILITY ENGINEERING

Computer Hardware/Software/Outage system/SCADA system for mobile application		371,967
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Electric Expenses

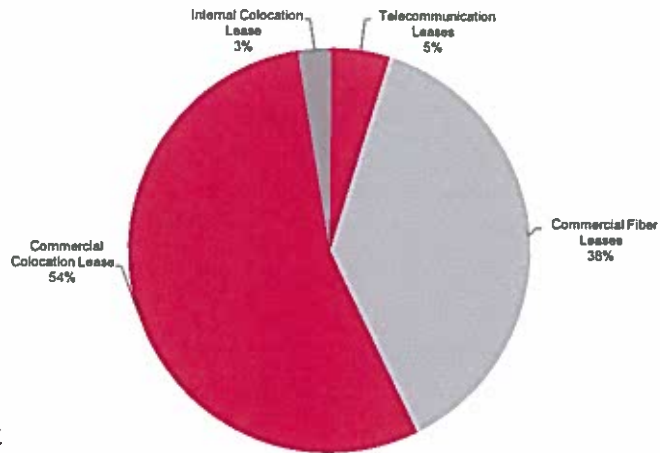


Revenues – Technology Center

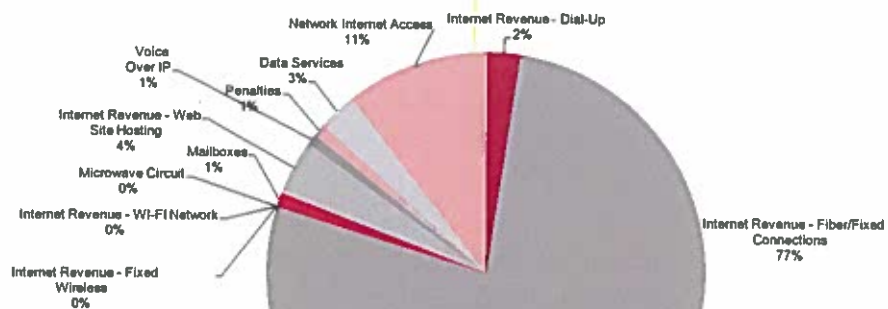
- This fund was created to document the revenues associated with the development of the Technology Center.
- Revenue includes leases for rack space, colocation space and dark fiber.



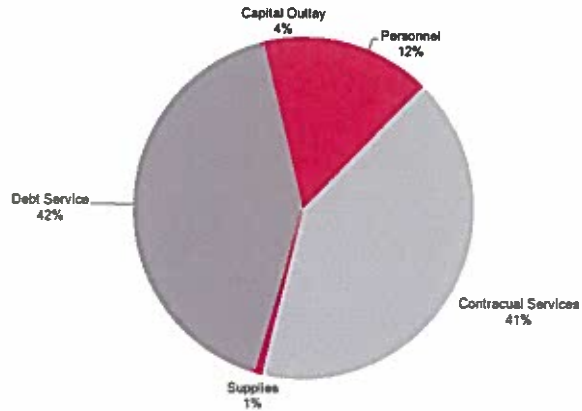
Technology Center Revenues



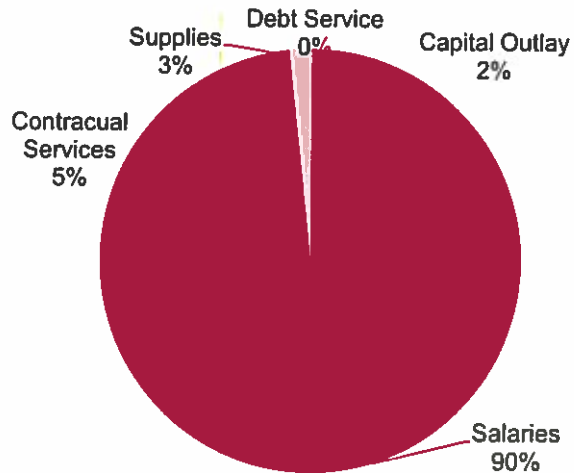
Communications Revenues



Technology Center Expenses



Communications Expenses



Capital Outlay – Communications

TECH CENTER

Core Switch Replacement	\$25,000	
Tech Park Marketing	\$5,000	
Miscellaneous Equipment Replacement	<u>\$10,000</u>	\$40,000

COMMUNICATION SERVICES

Switch Upgrades	\$2,000	
Miscellaneous Equipment Replacement	<u>\$1,500</u>	\$3,500

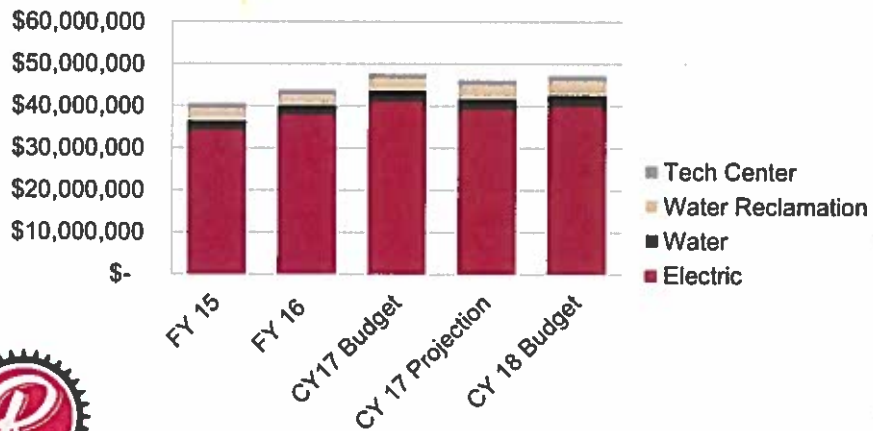
TOTAL CAPITAL OUTLAY

\$43,500



Utility Revenues from Operations

Chart Title



Airport Fund

Major Revenue

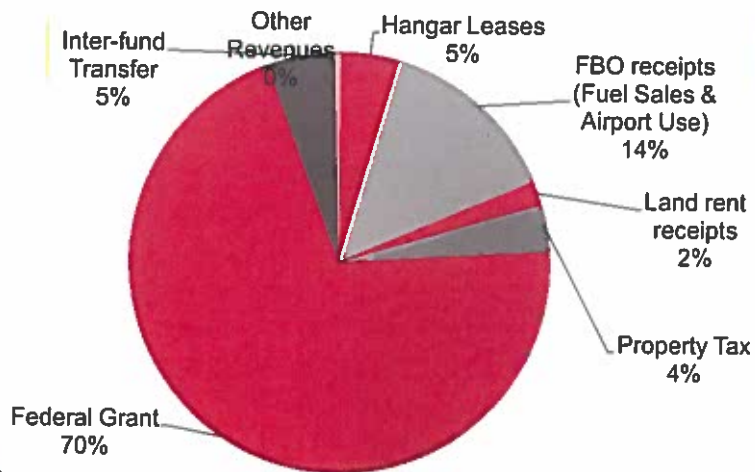
Hangar Leases	\$77,000
FBO receipts (Fuel Sales & Airport Use)	\$240,000
Land rent receipts	\$32,000
Property Tax	\$60,678
Federal Grant	\$1,192,723
Inter-fund Transfer	\$90,000
<u>Other Revenues</u>	<u>\$8,000</u>
Total Revenues	\$1,845,775

Major Expenses

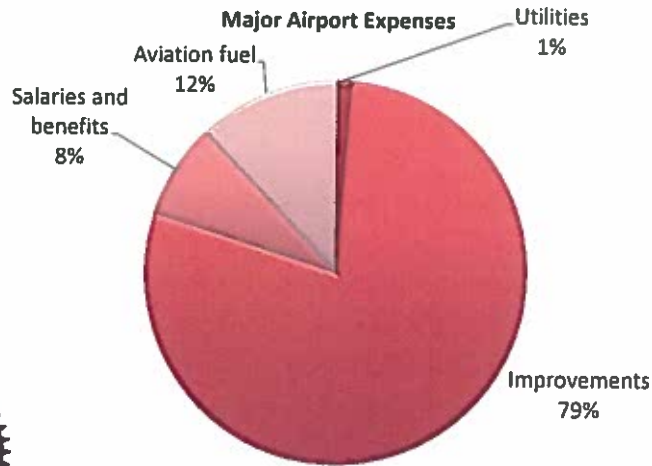
Utilities	\$20,000
Improvements	\$1,367,998
Salaries and benefits	\$138,356
<u>Aviation fuel</u>	<u>\$210,000</u>
Total Expenses	\$1,853,198



Major Airport Revenues



Airport Expenses



Railroad Budget

Revenues

Switch Absorption Fees	\$950,000
In/Out Storage Switch Fees	\$110,000
Storage Fees	\$100,000
Capital Fund Revenue	\$750,000

Expenses

Personnel	\$153,826
Contractual Services	\$760,712



Golf Course Budget

Revenues

Golf Rounds	\$118,000
Season Pass	\$32,000
Cart Rentals	\$41,000
Merchandise Sales	\$20,000
Advertising	\$7,500

Expenses

Staff	\$189,902
Contractual Services	\$79,400
Supplies	\$68,500
Capital Outlay	\$35,000



Group hug!